

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

ZACHARY LUTZ,

Plaintiff,

v.

RAKUTEN, INC., RAKUTEN BASEBALL,  
INC. and HIROSHI MIKITANI,

Defendants.

Civil Action No. 17- 03895

**DECLARATION OF KENJI HIROSE  
SUBMITTED ON BEHALF OF  
RAKUTEN, INC.**

[ELECTRONICALLY FILED]

**DECLARATION OF KENJI HIROSE**

**SUBMITTED ON BEHALF OF RAKUTEN, INC.**

I, Kenji Hirose, declare as follows:

1. I am the Chief Compliance Officer of Rakuten, Inc., named as a defendant in the above-captioned litigation filed by Plaintiff Zachary Lutz against specially appearing, non-resident, named defendants Rakuten, Inc., Rakuten Baseball, Inc., and Hiroshi Mikitani (collectively, the “**Named Defendants**”). I am a Japanese citizen and my primary residence is Tokyo, Japan. I have personal knowledge of the facts stated herein and, if called as a witness, could and would competently testify thereto.

2. I submit this declaration in support of the Named Defendants’ combined *Motion To: (1) Dismiss For Lack Of Personal Jurisdiction Under Rule 12(b)(2); (2) Dismiss Or Stay Pending Resolution Of A Parallel Proceeding In Japan And On Grounds Of Forum Non Conveniens; and (3) Dismiss For Failure To State A Claim Under Rule 12(b)(6).*

**Rakuten, Inc.**

3. Rakuten, Inc. is a multinational e-commerce and internet service corporation incorporated in Japan and headquartered at 1-14-1 Tamagawa, Setagaya-ku, Tokyo 158-0094, Japan. See <https://corp.rakuten.co.jp/about/>.

4. Rakuten, Inc.’s primary subsidiary in the U.S. is Rakuten USA, Inc., a Delaware corporation with its principal place of business in San Mateo, California. Rakuten USA, Inc. is not a named party in this lawsuit. Rakuten USA, Inc.’s primary business in the U.S. is the operation of an e-commerce website located at [www.rakuten.com](http://www.rakuten.com), which sells products online to consumers in the U.S. Although Rakuten USA, Inc. sells and ships products online to consumers who might be located in Pennsylvania via its website, [www.rakuten.com](http://www.rakuten.com), it does not specifically

target Pennsylvania residents or otherwise direct its internet activities toward the state of Pennsylvania. Neither Rakuten, Inc. nor Rakuten USA, Inc. has any involvement in Rakuten Baseball, Inc.'s baseball team operations or the negotiation of baseball team player contracts. Neither Rakuten, Inc. nor Rakuten USA, Inc. has had any involvement with Mr. Lutz or his agents, or Mr. Lutz' 2014 services or potential 2015 services as a member of Rakuten Baseball, Inc.'s baseball team, the Tohoku Golden Rakuten Eagles.

5. Rakuten, Inc.:

- Is not licensed to conduct business in Pennsylvania.
- Does not have an agent for service of process in Pennsylvania.
- Does not collect or pay sales, property, or any other taxes in Pennsylvania.
- Is not regulated by the laws or regulations of Pennsylvania.
- Does not maintain corporate records in Pennsylvania.
- Has no bank accounts in Pennsylvania.
- Does not have any employees or officers in Pennsylvania.
- Holds no director or shareholder meetings in Pennsylvania.

**Relationship With Rakuten Baseball, Inc.**

6. Rakuten, Inc. is a multinational e-commerce and internet service corporation incorporated in Japan and headquartered in Tokyo. Rakuten Baseball, Inc. is not a division of Rakuten, Inc. While it is one of many wholly owned subsidiaries of Rakuten, Inc., it is a separate entity and operates as such. Rakuten, Inc. has no operational oversight concerning Rakuten Baseball, Inc.'s operations, business, or negotiations with its baseball team players. Rakuten, Inc. does not get involved in Rakuten Baseball, Inc.'s negotiations with baseball team

players. Contrary to the allegations in Mr. Lutz' Complaint, Rakuten, Inc. does not control or operate Rakuten Baseball, Inc. or its baseball team, the Tohoku Golden Rakuten Eagles.

7. Rakuten, Inc. and Rakuten Baseball, Inc. are separate entities and they maintain separate corporate formalities. They each hold their own shareholder meetings and board meetings, maintain their own minutes, file their own corporate records, maintain separate bank accounts and offices, and have adequate capital for their separate operations. Rakuten, Inc. does not pay taxes on behalf of Rakuten Baseball, Inc.

**Zachary Lutz**

8. No one at Rakuten, Inc., including its Chairman and CEO Hiroshi Mikitani, was involved in the negotiations with Mr. Lutz, nor does anyone at Rakuten, Inc. have personal knowledge of such negotiations.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on November 27, 2017, at Tokyo, Japan.

A handwritten signature in black ink, appearing to read 'Kenji Hirose', is written over a horizontal line.

KENJI HIROSE  
Managing Executive Officer  
CCO (Chief Compliance Officer)  
Group Managing Executive Officer